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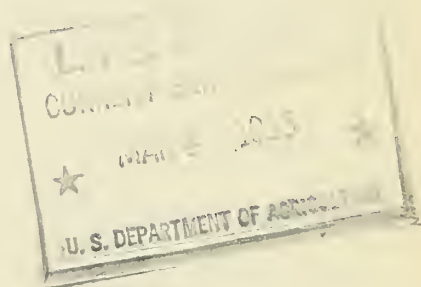
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# MARKETING ACTIVITIES



U.S. DEPARTMENT OF AGRICULTURE  
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# Grocery Retailers' Views On Wholesalers' Assistance

By Martin Kriesberg and John C. Bouma

In the field of grocery and produce merchandising there is a growing realization of the necessity for mutual action in the meeting of common problems. This realization of mutual dependence among wholesalers and retailers still is far from unanimous, however. This is brought out clearly by a recent survey of grocery retailers' reactions to their wholesalers' assistance programs. The study, made by the U. S. Department of Agriculture, turned up some interesting findings as to where and what are the most fertile fields for "missionary" work by wholesalers.

For some time, independent retailers and wholesalers who serve them have been reexamining their customary way of doing business in light of recent trends in food distribution. As a result, many wholesalers have launched, or are seriously considering, broad programs to assist retail grocers in becoming more efficient and effective operators.

To gauge the acceptance of such programs, the Marketing and Facilities Research Branch, Production and Marketing Administration, USDA, surveyed retailers' reactions to such wholesaler assistance. The report on the survey is based upon answers received from 1,695 independent grocers in response to a 6-page questionnaire sent out by the Department. Indicative of the tremendous interest in the subject by retailers is the fact that those responding represented more than 50 percent of those to whom the questionnaires were mailed. The report is a sequel to an earlier study among the wholesale grocers who serve these retailers (see Marketing Activities issues of April and June 1952). Detailed results of this survey will be available in a forthcoming publication.

An analysis of the returns indicates independent grocers are not all in agreement on the need for and the value of assistance offered by the wholesalers. A number of factors account for the differences of opinion:

(1) The kind and quality of services that the wholesaler offers. Most retailers tend to accept their wholesaler's program of assistance - or absence of assistance - as the best practice; few have given thought to other possibilities. Returns show that 64 percent of those grocers who felt that wholesaler assistance was desirable were customers of wholesalers offering extensive aid. On the other hand, of the grocers apathetic to wholesaler assistance, only 17 percent were customers of wholesalers offering extensive aid. Thus, it is suggested that leadership in furnishing these services most likely must come from the wholesalers.

(2) The volume of the retailer's business. Very small retailers



tend to be unconcerned about promotions, store improvements or other kinds of wholesaler assistance, while very large grocers often have the resources to undertake merchandising activities and store improvements without assistance from wholesalers. The middle-sized stores, those with a volume of \$1,000 to \$6,000 per week, are the ones most anxious to receive aid from the wholesaler.

(3) The nature of the retailer's trade territory. The majority of retailers in rural areas and small town communities tend to be skeptical about the value of promotions, modern store layout or "fancy" fixtures; on the other hand, most grocers in urban areas feel they must operate like the super markets and they want the wholesaler to help them do it.

(4) The general cooperativeness of the grocer. Some independent grocers are reluctant to cooperate in almost any joint undertaking; others are more willing to invest their time with others in a task for their common good. Willingness to work with the wholesaler is part of the grocer's general approach to working with other people.

(5) The grocer's business ambitions. Some grocers have no desire to build a bigger business. Such apathy may be related to advanced age, a belief that nothing can be accomplished, or an absence of anyone to whom the business or earnings might be left. Accordingly, they see no value in the wholesaler's assistance to increase store traffic or increase sales. Other grocers, wanting to grow, accept all assistance available.

In considering wholesaler-retailer teamwork, it is well to recognize three distinct groups of independent grocers, each of which can be described in terms of the above factors. The first is a group of grocers who have little interest in assistance offered by wholesalers. Frequently, these are stores run by an elderly couple or a widow, located in rural areas and small towns, with little space, and a volume of less than \$1,000 per week. Sales are based on proximity to the customer's home, ready credit and neighborly association. Considerations of price, merchandising and store appearance are not primary with their customers.

The second is the group of grocers most interested in wholesaler assistance. These stores are usually operated by people under 45 years of age who are concerned with making a success of their business. Most of the grocers in this group have a gross volume between \$1,000 and \$6,000 per week and feel they can increase their sales with proper advertising, merchandising and store organization. However, many of these grocers lack the resources, in money and personnel, to undertake such actions alone. Therefore, they seek assistance from outside sources, particularly the wholesaler from whom they purchase most of their groceries. It is this second group of retailers who are most likely to seek affiliation in wholesaler-sponsored groups for the assistance that attends such membership. The affiliation of these retailers in wholesaler-sponsored groups is a recognition of mutual dependence and an attempt on the part of both to meet their common problems.

The third group of grocers is interested in assistance but is less dependent on the wholesaler. These stores usually have a gross volume

of over \$6,000 per week and are located in urban or suburban areas. This group of grocers emulates the large super-market organizations in the kinds of stores they operate and in their methods of merchandising. They are almost always promotion-minded and their customer relations programs are often original and creative. These grocers often have the resources to undertake the store improvements and promotions they believe necessary; many of them buy a large portion of their goods direct from manufacturers and processors and look to them for cooperative advertising and merchandising programs as well as to the wholesaler.

#### Retailer Reaction to Specific Kinds of Assistance

The major kinds of assistance made available by wholesale grocers are: (1) information to guide retailers in pricing, (2) cooperative advertising and promotions, (3) store engineering and layout, (4) record keeping and accounting assistance, and (5) training store personnel. These forms of assistance are received by grocers with varying degrees of interest. Figure 1 shows the percent of grocers surveyed who are using or want to use the several wholesaler services.

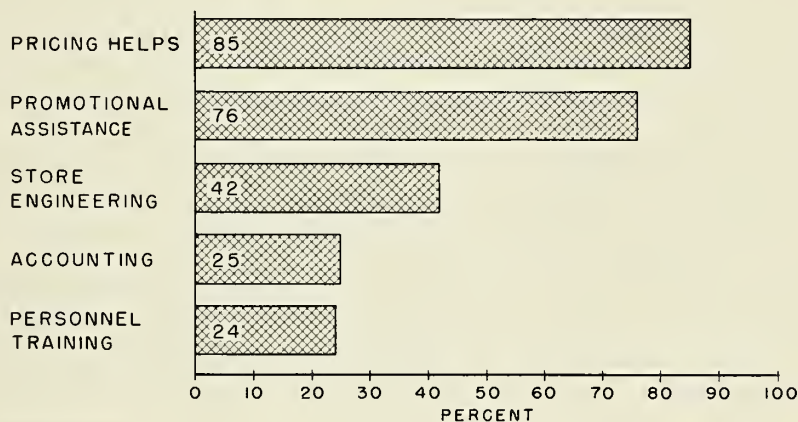


Fig. 1. PERCENT OF GROCERS SURVEYED DESIRING WHOLESALER SERVICES

Almost all grocers contacted are interested in information that helps them establish sound retail selling prices; 85 percent of the retailers surveyed used or desired pricing assistance (Figure 1). Many want information on what competitors are charging so that their own prices can be competitive. They also are interested in information on price trends, reasoning that it helps them plan their buying. Some retailers suggested that wholesalers' invoices carry more complete pricing data to enable them to compute margins and selling prices more easily.

Wholesaler cooperation in advertising and promotions, although desired by 76 percent of all grocers surveyed, is of particular interest to the second and third groups of independent grocers described. Approximately 90 percent of these grocers reported using or wanting wholesaler assistance on promotions. Grocers feel that weekly specials are the most effective kind of cooperative advertising done by wholesalers. Most grocers feel that the cooperative advertising done by their wholesalers is good; few have specific suggestions for its improvement. Some, however, would like to have the wholesalers do "institutional advertising" aimed

at telling the customers why they should buy at neighborhood independent grocers; they feel that this kind of advertising might even be more helpful than the price and promotional types.

Assistance on store layout and engineering is welcomed by most of the grocers in the second group and by many of the very large stores as well. These grocers are particularly interested in ideas on store layout, but they also like assistance in purchasing and financing necessary equipment and fixtures. Where grocers contemplate making substantial changes in the store building or interior, they are also interested in having the wholesaler assist in the supervision of the work.

Aid in store accounting and bookkeeping was wanted by relatively few grocers. The smaller stores, and those apathetic about wholesaler help generally, feel that little bookkeeping is needed for their kind of operations. Larger stores, on the other hand, feel they can hire a trained person to do their bookkeeping and accounting. Grocers wanting assistance were mostly interested in information on current accounting practices and in forms which would facilitate their record keeping.

Assistance in training store employees is wanted by the large stores in the second group and by the stores in the third group. Almost 50 percent of the grocers in these groups used or desired assistance in training store personnel. These grocers may employ from 3 to 30 people in their stores and are aware of their own limitations in properly training the people they hire. They welcome any assistance the wholesaler makes available to them. Grocers in the smaller stores tend to be satisfied with pamphlets, bulletins, and other printed material on store operations. Those in larger stores, however, want to have regular classes or clinics to which they can go or send their employees. Many operators of larger stores feel that assistance in training store personnel is probably the most important single thing the wholesaler could do to help them.

## CONCLUSIONS

Wholesale grocers attempting to sell to all three groups of grocers face some difficult choices. A single pricing policy and a single program of assistance would appear unfair to the different kinds of retailers as well as to the wholesaler. For example, a single delivered price policy with margins adequate to cover the wholesaler's overall operating costs might, in effect, mean that the larger retailers were helping subsidize the smaller retailers by paying a disproportionate share of the wholesaler's costs. On the other hand, a policy of cost-plus pricing might set prices to the small retailer at such a level that he could not make a profit and still be competitive. Similarly, an assistance program available to all retail customers with costs borne by all would appear unfair to the grocer who does not want to use such assistance. Conversely, it may be that only by making assistance available to all can the wholesaler take the lead in raising the general efficiency and effectiveness of his retail customers. It appears that a solution lies in recognizing the different needs of grocers, in being aware of the factors which effect a desire for closer wholesaler-retailer teamwork, and in tailoring policies and programs to suit the different grocers.



# Federal-State Cooperation

## Plans For Better Marketing

By Leighton G. Foster

Since 1948, a cooperative Federal-State program looking toward improvement in marketing of farm products has been in operation in 32 States and three U. S. Territories. This program, authorized under the Agricultural Marketing Act of 1946, has three broad objectives: To provide basic State and local agricultural data and market information, to improve marketing methods, and to provide technical assistance to marketing agencies. Marketing service projects under the program are financed on a matched-fund basis by the U. S. Department of Agriculture and State departments of agriculture or other State marketing service agencies.

Notable among accomplishments under the program have been: (1) a survey in Wisconsin of livestock by types, market movement, seasonal peaks, and other factors, which was used as a basis for development of much needed livestock concentration yards by farm organizations and co-operatives there; (2) a program in North Carolina for improvement of cotton ginning, which increased the quality of the commodity by reducing "rough preparation" and boosted the annual value of the State's crop by well over a half million dollars annually; and (3) a project in Indiana to develop improved and uniform methods of grading milk and cream which cut the amount of rejected milk in that State by over one-half million pounds in one year. Another project in North Carolina, based on development of basic production data and technical assistance, brought about more efficient grain storage, drying, and turning facilities, which are estimated to have increased producers' prices on 20,000,000 bushels of cash corn by about 25 cents a bushel.

In planning this marketing service program, the Production and Marketing Administration, which supervises it in USDA, has in the past two years arranged for workshop conferences bringing together representatives of the participating States and territories, representatives of the various segments of the food distribution industry, and interested USDA personnel. Two of these workshops were held in December 1952, in St. Louis, Mo., and Baltimore, Md. Representatives of 25 States and two territories participated in the meetings.

The overall purpose of the workshops was to identify and evaluate specific problems in marketing where it was felt that marketing service work was required, and then to determine just what specific programs State departments of agriculture should be prepared to undertake to solve or alleviate these problems.

Those attending the workshops were divided into three work groups of 8 to 15 members. Each group developed information, based on the knowledge and experience of its individual members, on marketing problems of specific agricultural products, made recommendations for their solution, and made a written report of their discussions and conclusions to a general session of the meeting. There the reports were further considered by the entire group.

The work groups, which at both of the meetings covered the three phases of marketing service provided for under the program, were set up as follows:

GROUP I - Covered problems related to the need for, collection, interpretation and use of basic crop, livestock, and market data. For example, more statistics are needed on the volume of livestock marketed "directly," sold through auction markets, or shipped to market by motor truck. It was brought out at the meetings that the emphasis should be confined to areas for which NO basic information is now available.

GROUP II - Covered specific problems related to operating efficiency of marketing agencies. Such questions as these were considered: Do marketing organizations constructing new facilities have access to research findings on proper size, type, location, and layout of such facilities, and, if not, what should State marketing service agencies do about it?

GROUP III - Covered specific problems related to maintenance of product quality and efficient marketing of agricultural products. This group concerned itself with problems revolving around such matters as service work needed in maintaining quality of products in market channels; whether shippers, packers or others are attempting to market a grade and pack that is not desired in certain markets; and whether grades and standards are helping to bring about more efficient marketing.

#### Workshop Reports Studied

The written reports of the workshop groups, after discussion and recommendations by the general session of the meetings, were further considered by an advisory committee on cooperative work with State Departments of Agriculture under the Agricultural Marketing Act. This group is composed of representatives of State departments of agriculture and bureaus of markets. It made a further study of the recommendations of both the St. Louis and Baltimore workshops and grouped them by commodities.

In this form, together with a general report, the recommendations have been, or will be, passed on to the Commodity Advisory Committees which are appointed under the Agricultural Marketing Act as advisors on research, service and education programs authorized under that law. There are 17 of these committees, composed of representatives of Federal and State agencies, producers, farm organizations, and private industry.

Because of space limitations, it is not possible to list the recommendations made to all of the Commodity Advisory Committees. Several illustrative recommendations are paraphrased below:

## VEGETABLES

Market information: Develop information on acreage planted and estimated production for onions, celery, lettuce, carrots, spinach, and other vegetables grown on muckland areas of New York and Michigan. Experiment with market news reports for onions, including f.o.b. prices, sales volume by grades, for the commercial growing area of New York where such information is needed. Make annual estimates of commercial sweetpotato production and prepare monthly cold storage reports on that product from November through June each year. Develop yearly estimates of acreage planted to tomatoes, peas, corn, beans and other vegetables in the principal commercial growing areas and make periodic estimates of production, probable maturity date, and crop quality in production areas where sales normally are made direct to buyers, with similar reports at harvest time showing the rate of movement of the crops to market.

Tomatoes: Show growers the stage of ripeness at which they should pick "green wrap" tomatoes and encourage them to harvest at that stage. Encourage the use of shipping containers for tomatoes which give maximum protection at most reasonable cost. Show growers packing methods which will reduce bruising and other injury.

Sweetpotatoes: Show growers how to handle their crops in a way to reduce bruising, cutting and skinning. Encourage adequate storage facilities where they are needed and not now available. Assist shippers to modify their sorting, packing, and handling practices so as to reduce bruising and to enable them to pack to official grades. Also assist them to find new markets by locating those areas lacking supplies and those with most favorable prices.

Sweet corn: Show producers and shippers how to precool and/or ice sweet corn and the advantages of this method of handling. Work with wholesalers and retailers to encourage them to keep the product under refrigeration. Encourage consumers to buy sweet corn on a quality basis and take care of it in the home. This work would be done in cooperation with the Extension Service.

Vegetable canning crops: Provide programs meeting the needs of some packers for assistance in developing quality control. Encourage packers to sell according to official standards and grades. Show small packers the advantages of selling under a uniform label, and assist them in achieving more uniform quality and improved operating efficiency. Develop improved methods of financing for the better quality pack which is expected to result from adoption of this program.

Development of concentration markets: Make surveys to determine the kinds of markets, and where they should be located, which are needed to effectively handle the increasing volume of agricultural products which are being moved by trucks. Encourage the establishment of these markets where they are found to be necessary. (Such markets, naturally, would also handle other commodities than vegetables and similar recommendations were made in other commodity reports.)



Improvement in marketing in large consuming centers: Many wholesale markets in Eastern metropolitan areas are outmoded and a lot of chain stores and independent retailer groups have turned to direct buying from consumers, it was pointed out. This trend is increasing. Therefore, where it is possible, assist in the modernization of such terminal markets. Where it is not possible or desirable, and such direct buying is advantageous, cooperate with Extension Service, farm organizations, producers, and marketing agencies in developing programs to assist this type of marketing. Cooperate with the same groups to develop merchandising programs for seasonal surpluses of perishable commodities and develop a continuing consumer information program in the interest of both consumers and producers. Cooperate with the Extension Service and appropriate market news services of PMA to evaluate the possibilities of establishing information on the amount of produce unloaded and prices at various markets which would serve as guides to truckers in determining the destination of their cargoes. (Similar recommendations were made in the report to the advisory committee for fruits.)

## GRAIN

Market information: Estimate production and sales of grain in the mid-Atlantic and Southern States, by county or local areas, since the rapid increase in commercial grain production in this section has outstripped handling facilities. This program also would include an inventory of safe grain storage space available on and off farms and a study of present marketing methods to determine outlets for grain, methods of transportation and handling.

Assistance to grain elevator operators: Also in connection with the rapid expansion of production and sales of corn, soybeans, wheat, oats, and barley in the mid-Atlantic and Southern States area, the report noted that there has been no corresponding increase in adequate drying, turning, and storage facilities. This has caused serious losses due to moisture, rodent, and insect damage. Therefore, it was recommended that determinations be made where such facilities are needed, on the basis of sufficient grain to justify their construction; that such needed construction be encouraged; and that agencies desiring to construct or modernize facilities be assisted through the furnishing of information concerning most efficient types of storage and equipment. It was further recommended that purchase and sale of grain by U. S. grades should be encouraged and elevator operators furnished information on most efficient grain grading equipment.

## POULTRY

Market information: Estimate production of broilers by county or local areas to provide information which would show whether or not there is need for auction or other types of markets or for the construction of processing facilities. Provide information on turkey poult placements for all commercial production areas which would give the number of Beltsville and other types of turkeys that might be expected to be available for marketing. Provide for estimates of county or local area egg production as a guide for locating egg grading stations. Develop experimental



local or area market news service for poultry and eggs where not now available.

Technical assistance to poultry processing plants: Among the problems listed under this phase of the report were how various scalding methods affect the length of time poultry will remain marketable ("case-life"); the different terminology used in describing various market classifications of poultry; the lack of processing efficiency; lack of storage; the need for using proper packaging materials for poultry and the need for better methods in retail merchandising of the product. To meet these problems the report recommended the development of a marketing service program to acquaint the trade with, and encourage the use of, improved merchandising practices. This would include: work with processors in adopting scalding methods and cooling temperatures which would result in better quality maintenance for poultry throughout marketing channels; the adoption of uniform terminology for ready-to-cook, dressed and live poultry by processors, distributors and retailers; use of improved dressing and eviscerating methods; adoption of better storage practices, including use of proper temperature and humidity to better preserve quality; the adoption of packages best suited to marketing poultry in its various forms and to improve physical facilities, sanitary measures and operation techniques of processors. It also was recommended that existing programs for training retailers in modern methods of poultry merchandising, provided through cooperation of the Poultry and Egg National Board, be extended.

Programs with wholesalers and retailers of eggs: Encourage marketing of eggs on a graded basis and assist individuals or firms in setting up grading stations where they are warranted. Institute programs looking to better maintenance of egg quality through improved handling, storage preparation, and display. Develop better consumer understanding of the quality of the several grades of eggs through cooperation with the Extension Service.

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#### USE OF COTTON IN PRINCIPAL TEXTILES

Do you want to know what quality and how much cotton is used from year to year in production of different types of cotton textiles? If you do, and the fabric you are interested in is flannel, gingham, chambray, seersucker, terry toweling, huck toweling, corduroy, jacquard bedspreads, non-jacquard bedspreads, drapery, carded uniform twill, combed uniform twill, other carded twills, carded Army sateen or tire cord, the information is available in a recent report by PMA.

It is a supplement to a report made in 1950 on outlets for cotton in other principal textiles, print cloth, wide sheeting, narrow sheeting, denim, drill, osnaburg, duck, carded broadcloth, combed broadcloth and combed lawn. The new report, "Market Outlets for Cotton in Some of the Principal Cotton Fabrics, Supplement 1, is available from Information Branch, PMA, U. S. Department of Agriculture, Washington 25, D. C.

# Peanut Snack-Peanut Spread

By C. B. Gilliland and Thomas B. Smith

Increased consumption of peanuts through the manufacturing and marketing of two new peanut butter products, each with various flavorings blended into them, is a possibility discussed in a recent report of the Production and Marketing Administration, U. S. Department of Agriculture.

The new products are "Peanut Snack" and "Peanut Spread"--the former a roll suitable for slicing, and the latter a product not as firm as peanut butter which spreads more easily. Both products have been developed in various flavors.

Experimental work through which the products were developed was originated by the Georgia Agricultural Experiment Station. Later, through a research contract with USDA under authority of the Agricultural Marketing Act, supervised by PMA's Fats and Oils Branch, manufacture and salability of the products were studied.

"Peanut Snack" is a product firmer than peanut butter, the 8-ounce roll being packed in transparent film tubing, with attractively colored labels indicating the flavoring used in the product. Flavors used were orange, with an orange-colored label; maple, with a light brown label; and chili, with a red label. The product was developed with the idea that it would have an appeal to consumers who normally do not use peanut butter and provide a new taste sensation for those who do use the latter commodity. The "Snack" has been found suitable for a wide variety of uses. Sliced, it lends itself to between-meals snacks, afternoon teas or parties. Other potential uses are as a confection (in the sweeter types), in salads, in sandwiches, as hors d'oeuvres, in soups, as dessert topping, in pies, and in ice cream.

## "Sales Appeal" Tested

Marketing tests of the "Snack" were carried out in three stores in Atlanta, Ga., representing high, medium, and low income groups, and one store in Griffin, Ga. In all stores the product was displayed for self-service along with cold meats and dairy products in open, refrigerated glass-panel cases and it was given equal prominence with similar products. It was found that refrigeration from manufacture through retail prevented softening and oil loss.

Advertising consisted of store window posters, placards on display cases, store demonstrations the first two days of sale, and space in weekly newspaper food ads. Prices of the product were 25 cents a roll in Atlanta and 23 cents in Griffin, arrived at through comparison with leading brands of peanut butter.

In the marketing tests 1,500 packages of "Peanut Snack" were sold. Orange was the most popular flavor, with maple second and chili third. Some repeat sales were noted and when the product was removed from display there were requests for it from some customers. While it was not what might be termed a "fast seller," this possibly was due to limited promotion during the marketing test.

In a survey of 1,114 persons who accepted samples, 869 liked the product, and of these 674 gave taste or flavor as the reason. Conversely, of the 242 persons who disliked it, the largest number also gave taste or flavor as the reason. Customers who liked the product unqualifiedly were well in the majority of those surveyed. Seventy-two percent said that they would buy "Peanut Snack" if it were regularly available.

Consumers interviewed overwhelmingly favored the package in which the product was marketed. Only 8 percent expressed a dislike. The slicing feature of the "Snack" was given most frequently as the reason for liking the way the product was prepared. Next popular feature was size, shape and ease of storing the package.

On the basis of the survey it appeared probable that purchasers of "Peanut Snack" would increase their total consumption of peanuts if the product were generally available.

#### "Spread" Developed From "Snack" Study

"Peanut Spread," which is packed in 8-ounce jars, resulted from the observation during the marketing of "Peanut Snack" that many consumers had tried to spread the latter. It was decided to produce a spread of flavored peanut butter, modified as to consistency to spread more easily than the product presently available.

Since the limited experience with the "Snack" indicated that orange and maple were the most acceptable flavors, these were adopted for the "Spread," while chocolate was substituted for chili.

It was the opinion of the surveyors and participating grocers that "Peanut Spread" sold about like peanut butter. They felt that some customers would purchase regular peanut butter in addition to the "Spread," whereas others would purchase the "Spread" when no purchase of peanut butter was contemplated.

The conclusion was reached that the products, "Snack" and "Spread," would increase total peanut butter consumption, although obviously not by the total amount of sales of the two new products. The exact factor of increase remains a matter for factual determination; something that could not be done during the limited study of the products.

A copy of the report on this experiment, "Peanut Snack and Peanut Spread: Potential New Products," may be obtained from the Office of Information Services, Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C.



# How To Market "Thompsons"

By Donald Stokes

Although they may not realize it, consumers appear more apt to purchase fresh produce when it is available in both prepacked and bulk form than when either of these sales methods is used alone. Why this happens is not known. However, it may be accounted for by the same reasons which make for "impulse sales" in self-service merchandising. This peculiarity, previously noticed by marketing specialists studying apple and potato merchandising, now has been demonstrated in a survey of seedless grape retailing possibilities recently concluded by the U.S. Department of Agriculture.

Sales of Thompson Seedless grapes were 17 percent greater when the grapes were displayed both in cellophane bags and in bulk, than when they were displayed only in packages or only in bulk, it was found in the study made by the Production and Marketing Administration.

This was one of the results of a survey made in Kansas City retail food stores by the Fruit and Vegetable Branch of PMA, during the summer of 1952, in a project set up under authority of the Agricultural Marketing Act of 1946. Another finding was that in some instances prepacked grapes sold better when the package was left unsealed.

Parallel studies with similar findings were made in 108 stores in 15 widely separated cities by the United Fresh Fruit and Vegetable Association and the National Flexible Packaging Association.

## Plentiful Supply For Fresh Sale

The abundant supply of these grapes, together with the fact that less than 10 percent of the total crop is marketed fresh, has inspired industry efforts to expand the marketing and consumption of them in fresh form. At least 90 percent of the yield is dried into raisins, crushed for alcoholic beverages, or canned.

One of the problems in marketing "Thompsons" in fresh form is that the grapes fall off their stems while being handled. The trade term for this is "shattering." The Kansas City prepackaging experiment, as well as a Nation-wide similar experiment, showed that the waste and spoilage loss, mainly due to "shattering" during customer handling when the grapes were displayed in bulk, was reduced by packaging the grapes in cellophane bags.

Grape sales were approximately equal in volume when they were displayed only in bulk or only in cellophane packages. Some stores found that packaged grapes sold better when the packages were left open rather than closed.



The three main reasons which seemed to favor open bag displays were: (1) It takes approximately half as much time for a clerk to prepare open packages as it does to fill, close, and price each bag, although slightly more time is required at the check-out stand when open bags are displayed; (2) excessive moisture accumulation occurs less frequently in open bags than in closed bags; and (3) some store customers appear to have more confidence in the quality of grapes packaged in open bags than in closed bags.

The specially printed cellophane bags used in the test were furnished by the National Flexible Packaging Association, mostly of  $8\frac{1}{4} \times 7\frac{1}{2}$  inch size. They were satchel bottom bags made from 450-gauge semi-moisture-proof anchor-coated cellophane. A smaller number of envelope-type bags,  $8\frac{1}{2} \times 8\frac{1}{4}$  inches, of 300-gauge semi-moisture-proof anchor-coated cellophane were also used. Satchel-bottom or square-top bags were preferred over flat or envelope type bags and 300-gauge perforated cellophane appeared to be satisfactory for prepackaging in retail stores.

#### Tests Cover Bulk and Prepacked Sales

The test was conducted for 2-week periods and designated stores re-tailed their grapes in bulk, or in bags, or in both bulk and bags (combination displays) during each 2-week period. The nine cooperating stores were divided into three groups--large, medium, and small--according to their normal volume of produce business.

During the first test period, from July 28 through August 10, 1952, the three small stores sold package grapes only, the medium-volume stores sold bulk grapes only, and the large-volume stores sold grapes in combination display--both bulk and bagged.

Then, for the period from August 11 through August 24, the three groups of stores changed respectively to combination, packaged and bulk. Each day USDA employees contacted the stores and recorded information on inventories, daily receipts, labor and material costs, prices, sales, and waste and spoilage.

Parallel studies with similar findings were made in 108 stores in 15 widely separated cities by the United Fresh Fruit and Vegetable Association and the National Flexible Packaging Association. In this parallel experiment the specially printed cellophane bags were furnished to the wholesale fruit and vegetable houses, which, in turn, distributed them to their retail stores cooperating in the experiment. Produce merchandising managers, trained by the United Merchandising Institute and employed by the cooperating service wholesalers, followed through on these trials by working closely with the retailers to evaluate the results. Seven of these produce merchandisers reported that the grape prepackaging experiment was "highly successful." Another seven merchandisers reported "good" results, and one merchandiser felt the results were "unsuccessful."

A copy of the report on this study, "Packaging Thompson Seedless Grapes in Cellophane Bags in Retail Stores," may be obtained from the Office of Information Services, PMA, U. S. Department of Agriculture, Washington 25, D. C.

# Save Those Steaks!

By Philip L. Breakiron

Material reduction in transit damage to dressed beef moving in railroad refrigerator cars is possible through more careful loading and by better mechanical maintenance of the cars, according to a study made by the U.S. Department of Agriculture in cooperation with railroad agencies and packing companies. The investigation was made by the Marketing Facilities Research Branch, Production and Marketing Administration, under the Agricultural Marketing Act of 1946.

Most of the loss in beef shipped in refrigerator cars comes from what the packers and the railroads term "down and damaged" beef quarters, meat which during transit falls or is thrown to the floor of the car and is torn, soiled and bruised. Unlike other meats, beef is not packaged and loaded in a compact mass on the floor of cars, but the fore and hind quarters are suspended on hooks from overhead meat rails. When it is not hung properly, or there is excessive swaying, vibration, or jarring, the quarters fall or tear loose from the hooks. Unfortunately, because it is heavier and the meat is more tender, beef of the better grades is more susceptible to damage.

To reduce damage through better loading, the report on the study recommends that care be taken in hanging the meat, particularly the fore quarters by placing hooks under the fourth or lower ribs, and by seeing that the quarters are loaded tightly to eliminate slack that would permit them to swing freely. Proper hanging and tight loading is essential, it was stressed.

Certain refrigerator cars repeatedly were found to have damaged beef, and of these some had damaged meat much more often than others. Mechanical defects of cars, causing shock and vibration in transit and resulting in "down and damaged" beef, were excessively worn and slack draft gears (shock absorbing devices), badly worn wheels, excessive side bearing wear and clearance and worn or defective snubbers and springs.

The report placed special significance on the finding that packer-owned cars carried less damaged beef than those operated by other car lines. However, because of almost constant operations during the period under study when meat shipments were very large, it was difficult to withdraw cars from service for repairs. Cars with defective equipment may have been operated longer than under more normal conditions. On the other hand, repair shops for packer-owned cars usually are located near the packing houses which facilitates the repair of these cars. Keeping all refrigerator cars in better mechanical condition will materially help solve the "down and damaged" beef problem, the report concluded.



# Marketing Briefs

(The program announcements summarized below are more completely covered in press releases which may be obtained on request from the Office of Information, U. S. Department of Agriculture, Washington 25, D. C. by citing the code number given at the end of each item.)

Cotton.--Fees charged for reviewing classification of cotton under Cotton Futures Act regulations have been increased 5 cents to 35 cents per bale by USDA. The increase applies only to such reviews and NOT to classing under the Cotton Standards Act. (USDA 12-53)... 1953-crop extra long staple cotton - American-Egyptian, Sealand and Sea Island - is to be supported at a rate 2.4 times the level at which upland cotton is supported this year. Actual support prices for both long staple and upland cottons are to be determined at a later date. (USDA 93-53)

Dairy.--Changes in import controls on dairy products under Defense Food Order 3 were announced on December 30, which would (1) establish import restrictions on dried whole milk, dried buttermilk, and dried cream; (2) remove import restrictions on casein and processed cheese made from Edam or Gouda cheese; and (3) increase the basic annual quotas for blue mold cheese 500,000 pounds. (USDA 2794-52)... New standards for grades of SWISS CHEESE, a revision of tentative standards in use since 1944, have been issued. (USDA 11-53)... The following actions were taken in connection with milk marketing orders during the past month: North Texas, provisions of order relating to classification of milk transferred from an approved plant to a plant not under the order more than 200 miles distant have been suspended. (USDA 38-53). USDA has recommended NO action on four proposals to change the Springfield, Mo., order. (USDA 27-53). Increase in Class I milk price under Fort Wayne, Ind., order recommended. (USDA 5-53). Hearing on proposal to establish a federal order for the North Central Tri-State area (40-county area in contiguous parts of Iowa, Minnesota, and Wisconsin) postponed until March 24, 1953. (USDA 2817-52). Hearing was held early in January on proposed changes in prices and other provisions of Dayton-Springfield, Ohio, order. (USDA 2795-52). Hearing was held late in January on proposed changes in marketing area and other provisions of Quad Cities (Davenport and Clinton, Ia., and Rock Island, Mo-line and East Moline, Ill.) (USDA 2788-52). Hearing was held early in January on proposed milk order for a 7-county area in Central and Southeastern Mississippi. (USDA 2698-52). Changes in the supply-demand adjustment and other provisions of the Toledo, Ohio, order have been approved. (USDA 2783-52). Hearing on a proposed milk marketing order for Central Arkansas scheduled to be held in Little Rock in mid-January has been indefinitely postponed. (USDA 35-53). USDA amended order for Tulsa, Okla., changing the supply-demand adjustment in fluid milk prices to producers and other provisions. (USDA 2811-52). Hearing to consider revision of the cooperative payment provisions of the New York order was scheduled for January 22. (USDA 2789-52). Another hearing to consider proposals to increase the Class I-C milk price and make other changes in the same order has been set for March 10, 1953, in Elmira, N.Y. (USDA 52-53)

Fruits and Vegetables.--U. S. Standards for grades of CANNED MUSHROOMS have been revised. (USDA 2696-52)... Revised standards for grades have been proposed by USDA for CANNED BLACKBERRIES (USDA 78-53) and California and Arizona ORANGES. (USDA 2703-52). USDA has proposed standards for grades of COLLARD and BROCCOLI GREENS (USDA 108-53), FROZEN SUCCOTASH (USDA 2704-52), and FROZEN SQUASH (USDA 2727-52)... The following actions have been taken under marketing agreement programs: Georgia PEACH growers have voted to continue their marketing agreement and order. (USDA 81-53). The marketing agreement and order covering HOPS grown in Oregon, California, Washington and Idaho will be terminated July 1, 1953. (USDA 2773-52)... USDA has purchased 205,000 cases of 24 No.2 cans of GRAPE-FRUIT sections from Florida producers for school lunch use. (USDA 2739-52)... USDA has announced revision of the 1952-53 raisin export payment program. (USDA 2705-52)

Grain.--Through December 15, 1952 more than 100,000,000 bushels of 1952-crop corn were under price support as compared with 10,000,000 bushels of 1951-crop corn under support at the end of the same month in 1951, USDA revealed in a report on corn and other commodities under price support. (USDA 62-53)... A supplemental report covering the period March 1 to November 30, 1952 on action in connection with shortage cases under the farm-stored commodity loans program has been issued. (USDA 2766-52). U. S. exports of grains and grain products during the period July-November, 1952, have been estimated at the equivalent of 186,763,000 bushels. (USDA 69-53)... A price support program for 1953-crop DRY EDIBLE BEANS which will reflect to growers a national average support level of about 87 percent of the December 15, 1952 parity price has been announced. (USDA 16-53)... A comprehensive handbook on seed testing titled "Manual for Testing Agricultural and Vegetable Seeds," has been issued by USDA. Free distribution of the manual is limited to laboratories concerned with seed testing. Others may purchase it from the Superintendent of Documents, Government Printing Office, Washington 25, D. C. (USDA 2737-52)... USDA has purchased 72,000 cwt. of Grade 6 or better RICE for overseas shipment by the Army. (USDA 67-53)... The Department also purchased 15,485,000 lbs. of flour for Mutual Security Agency shipment to Formosa. (USDA 96-53)

Livestock.--On December 15, 1952, USDA announced that it would purchase substantial quantities of smoked pork products to divert burdensome supplies of the commodity from the market. (USDA 2693-52)... An order has been issued placing a Federal quarantine on cattle from the Virgin Islands because of the presence there of splenic, or tick, fever. (USDA 2776-52)

Naval Stores.--A loan program continuing price support for gum naval stores from the 1953 crop has been announced. (USDA 2748-52)

Poultry.--USDA, through January 14, 1953, had announced acceptance of sales orders for a total of 48,166,118 pounds of frozen ready-to-cook 1952-crop turkeys under the surplus removal program announced last August. (USDA 89-53)... Proposed increases in some of the fees charged for various services performed in the grading, grade labeling, and supervision of packaging eggs and egg products has been announced by USDA. Proposed as a means of covering higher costs of labor, materials and equip-



ment, the increases would apply to fees for grading small lots of shell eggs and for laboratory tests conducted on eggs and egg products. Grading fees on large lots of shell eggs would not be changed. Present fees of \$1.50 for grading shell eggs in lots of 10 cases or less would be increased to \$1.80. Fees now \$3, \$5, and \$7.00 covering lots of 25, 100, and 200 cases of shell eggs, would be increased to \$3.60, \$5.50, and \$7.50, respectively. Fees for certain laboratory tests now \$1, \$2, and \$3.00 would be increased 50 cents per test. (USDA 15-53)

Sugar.--Minimum wage requirements for sugarcane field workers for 1953 have been announced for Hawaii, Puerto Rico, and the Virgin Islands. The determination for Hawaii (USDA 2746-52) continues unchanged from that of 1952, with specific rates not stipulated since wage rates agreed to by producers and workers there are accepted as meeting Sugar Act requirements. For Puerto Rico (USDA 61-53), basic wage rates have been increased 10 cents per hour to 40 cents for unskilled and semi-skilled workers and up 15 cents per hour to 65 cents for skilled workers. The 1953 wage determination for the Virgin Islands (USDA 2725-52) differs from that for 1952 in two respects. Basic minimum wages are increased about 2 percent and the wage-price escalator used there is adjusted in a manner to provide a further increase of about 4 percent in effective minimum wages. Puerto Rican sugar production from the 1952-53 crop has been set at a revised total of 1,190,000 tons, equal to the basic mainland and local marketing quotas for that area. (USDA 2812-52)... Local sugar quotas for 1953 for Hawaii and Puerto Rico of 45,000 and 110,000 short tons, raw value, respectively, have been announced. (USDA 2747-52)... An additional deficit in the 1952 sugar quota for Hawaii of 10,000 short tons has been prorated to Puerto Rico and Cuba. (USDA 2802-52). Similar action has been taken with respect to an additional deficit of 40,000 short tons in the Domestic Beet Sugar area. (USDA 2816-52)... CCC has purchased approximately 10,000 short tons of Puerto Rican refined sugar for shipment to Iran under a Technical Cooperation Administration program. (USDA 97-53)

Tobacco.--Official results of the referendum on marketing quotas for BURLEY TOBACCO have been announced. Since more than two-thirds of those voting favored quotas, the marketing quota program will be in effect on BURLEY TOBACCO for the next three marketing years beginning October 1, 1953. (USDA 2761-53)... Final results of grower referendums also were announced favoring marketing quota programs for 1953-crop Maryland, and CIGAR FILLER and BINDER TOBACCO, and opposing such a program for Pennsylvania CIGAR FILLER (type 41) TOBACCO. (USDA 76-53)... The national marketing quota for FLUE-CURED TOBACCO for the 1953-54 marketing year has been increased to 1,294 million pounds from the 1,234 million pounds announced July 1, 1952. The action was taken in accordance with provisions of the Agricultural Adjustment Act of 1928, as amended, to provide an adequate supply of the TOBACCO to meet domestic and export demands. (USDA 31-53)... A control committee and alternates under the marketing agreement for Florida and Georgia SHADE GROWN TOBACCO (Type 62) has been announced. (USDA 77-53)

Insecticides.--Changes, effective January 19, were announced in regulations for the enforcement of the Federal Insecticide, Fungicide, and Rodenticide Act. (USDA 2734-52)

## ABOUT MARKETING

The following addresses and publications, issued recently, may be obtained upon request. To order, check on this page the publications desired, detach and mail to the Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C.

### Publications:

Official United States Standards for Grades of Pork Carcasses (Barrow and Gilt), S.R.A. No. 171. September 1952. 4 pp. PMA (Printed)

Official United States Standards for Grades of Slaughter Swine (Barrows and Gilts), S. R. A. No. 172. September 1952. 4 pp. PMA (Printed)

Better Utilization of Selling Space in Food Stores (Part I. Relation of Size of Shelf Display to Sales of Canned Fruits and Vegetables) Marketing Research Report No. 30. November 1952. 29 pp. PMA (Printed)

Loss and Damage in Rail Transportation of Dressed Beef. December 1952. 26 pp. PMA (Processed)

Report of the President of the Commodity Credit Corporation--1952. 17 pp. PMA (Printed)

Report of the Administrator of the Production and Marketing Administration-1952. 130 pp. PMA (Printed)

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